



**MINUTES OF THE CITY COUNCIL
JOINT MEETING OF THE CITY OF SAN JOSÉ AND THE
SAN JOSÉ FINANCING AUTHORITY**

SAN JOSE, CALIFORNIA

TUESDAY, MAY 16, 2006

The Council of the City of San Jose convened at 3:42 p.m. in Joint Session with the San José Financing Authority, in City Council Chambers, at City Hall.

Present: Council Members: Campos, Chavez, Chirco, Cortese, Nguyen, LeZotte, Pyle,
Reed, Williams, Yeager; Gonzales.

Absent: Council Members: None.

2. **Approval of actions related to the remaining funding for New City Hall and the remarketing and refunding of 2002 Civic Center Bonds.**
 - (a) (1) **Approval of an expenditure plan for interest earnings on the Civic Center construction bond proceeds and for commercial paper notes related to City Hall construction and technology, furniture, equipment, and relocation (TFE & R) costs.**
 - (2) **Adoption of the following appropriation ordinance amendments in the Civic Center Construction Fund:**
 - (a) **Decrease the Construction appropriation by \$1,500,000.**
 - (b) **Decrease the Reserve for Capital Improvements by \$7,183,317.**
 - (c) **Establish a City Hall Capital Enhancements appropriation to the Department of General Services in the amount of \$2,170,829.**
 - (d) **Establish a Transfer to the 2002 Bond Debt Service Fund (Fund 809) in the amount of \$2,170,829 to redeem a portion of the Series 2002D Bonds.**
 - (e) **Establish a Reserve for Neighborhood Capital Improvements Projects to the City Manager's Office in the amount of \$4,341,659.**
 - (3) **Adoption of the following appropriation ordinance and funding sources resolution amendments in the Civic Center Improvement Fund:**
 - (a) **Decrease the Earned Revenue by \$6,787,500 to reflect the lower amount of commercial paper that will be issued for the Technology, Furniture, and Equipment (15% savings).**
 - (b) **Decrease the Technology, Furniture, and Equipment appropriation in the amount of \$6,787,500.**

2. **Approval of actions related to the remaining funding for New City Hall and the remarketing and refunding of 2002 Civic Center Bonds. (Cont'd)**
 - (b) **Adoption of a resolution of the City Council:**
 - (1) **Approving, authorizing and directing execution of certain financing documents and directing certain related actions in connection with the issuance of the City of San José Financing Authority Lease Revenue Refunding Bonds, Series 2006A (Civic Center Project) in the not-to-exceed principal amount of \$62,000,000 (the "Series 2006 Bonds") to be sold through a competitive sale.**
 - (2) **Approving in substantially final form and authorizing the execution of the First Amendment to Project Lease, Preliminary Official Statement and Continuing Disclosure Certificate, and authorizing the City Manager or the City Manager's designee to execute and, as appropriate, to negotiate, and deliver these documents and other related financing documents and to take other actions as necessary in connection with the issuance of the Series 2006 Bonds.**
 - (3) **Approving in substantially final form and authorizing the execution and distribution of the Remarketing Memorandum in connection with the remarketing of the Series 2002C Bonds as variable rate bonds in a weekly interest rate mode and authorizing the City Manager or the City Manager's designee to take other actions as necessary in connection with the remarketing of the Series 2002C Bonds.**
 - (c) **Adoption of a resolution of the City of San Jose Financing Authority:**
 - (1) **Authorizing the issuance of City of San José Financing Authority Lease Revenue Refunding Bonds, Series 2006A (Civic Center Project) in the not-to-exceed principal amount of \$62,000,000 (the "Series 2006 Bonds") to be sold through a competitive sale.**
 - (2) **Approving in substantially final form and authorizing the execution of the First Supplemental Indenture of Trust, First Amendment to Project Lease, First Amendment to Memorandum of Assignment, Preliminary Official Statement, Official Notice Inviting Bids and Notice of Intention to Sell Bonds, and authorizing the Executive Director or the Executive Director's designee to execute and, as appropriate, to negotiate, and deliver these documents and other related financing documents and to take other actions as necessary in connection with the issuance of the Series 2006 Bonds.**
 - (3) **Approving in substantially final form and authorizing the execution and distribution of the Remarketing Memorandum in connection with the remarketing of the Series 2002C Bonds as variable rate bonds in a weekly interest rate mode and authorizing the Executive Director or the Executive Director's designee to take other actions as necessary in connection with the remarketing of the Series 2002C Bonds.**

CEQA: Resolution 68905, File No PP98-072. (General Services/Finance/City Manager's Office)

2. Approval of actions related to the remaining funding for New City Hall and the remarketing and refunding of 2002 Civic Center Bonds. (Cont'd)

Documents Filed: (1) Memorandum from General Services Director Peter Jensen, Finance Director Scott Johnson, and Budget Director Larry Lisenbee, dated May 9, 2006, recommending approval of an Expenditure Plan and adoption of appropriation ordinance amendments and appropriation ordinance and related funding sources resolution amendments in the Civic Center Construction Fund. (2) Supplemental memorandum from Finance Director Scott Johnson, and Budget Director Larry Lisenbee, dated May 12, 2006, providing additional information regarding use of remaining funding related to City Hall. (3) Memorandum from Deputy Director of Finance Julia Cooper, dated May 5, 2006, recommending Council adopt resolution authorizing the issuance of City of San José Financing Authority Lease Revenue Refunding Series 2006A, Series 2006, and Series 2002C Bonds. (4) Supplemental memorandum from Deputy Director of Finance Julia Cooper, dated May 10, 2006, transmitting the Official Statement for the proposed Series 2006A Bonds, the Remarketing Memorandum for the Series 2002C Bonds and Appendix A, which is incorporated into both offering documents. (5) Supplemental memorandum from Deputy Director of Finance Julia Cooper, dated May 10, 2006, submitting Financing Documents for Remarketing and Refunding of 2002 Civic Center Bonds.

Assistant City Manager Mark Linder delivered an overview presentation of the remaining funding for New City Hall.

Extensive Council discussion followed.

Public Comments: George Fokos spoke in support of the proposed actions, and William Garbett spoke in opposition.

Action: Upon motion by Vice Mayor Chavez, seconded by Council Member Williams, and carried, the Staff recommendations on Items 2(a)(1)(2)(3) were approved; the Expenditure Plan was approved; Ordinance No. 27758, entitled: “An Ordinance of the City of San José Amending Ordinance No. 27474 to Appropriate Moneys in the Civic Center Construction Fund for the Transfer to the 2002 Bond Debt Service Fund (809); and Providing that this Ordinance shall Become Effective Immediately upon Adoption”; Ordinance No. 27759, entitled: “An Ordinance of the City of San José Amending Ordinance No. 27474 to Appropriate Moneys in the Civic Center Construction Fund for the Technology, Furniture and Equipment; and Providing that this Ordinance shall Become Effective Immediately upon Adoption”; and Resolution No. 73176, entitled: “A Resolution of the Council of the City of San José Amending Resolution No. 72762 Setting Forth the Estimated Sources of Funds for the Fiscal Year 2005-2006 to Adjust Revenues in the Civic Center Improvement Fund”, were adopted. (10-1). Noes: Reed.

Action: Upon motion by Council Member Williams, seconded by Vice Mayor Chavez, and unanimously carried, the Staff recommendations on Items 2(b) and 2(c) were approved; Resolution No. 73177, entitled: “A Resolution of the City of San José Approving, Authorizing and Directing Execution of Certain Financing Documents in

2. Approval of actions related to the remaining funding for New City Hall and the remarketing and refunding of 2002 Civic Center Bonds. (Cont'd)

Connection with the Issuance of the Series 2006A (Civic Center Project) in the Not-to-Exceed Principal Amount of \$62,000,000 to be Sold Through Competitive Sale, Authorizing the Execution and Distribution of the Remarketing Memorandum in Connection with the Remarketing of the City of San José Financing Authority Lease Revenue Bonds, Series s2002C (Civic Center Project), and Authorizing Other Related Actions”; and San José Financing Authority Resolution No. SJFA-73, entitled: “A Resolution of the City of San José Financing Authority Authorizing the Issuance of Lease Revenue Refunding Bonds, Series 2006A (Civic Center Project) in the Not-to-Exceed Principal Amount of \$62,000,000 to be Sold Through a Competitive Sale, Approving in Substantially Final Form and Authorizing the Execution of Certain Financing Documents, Approving the Official Statement Relating Thereto, Approving the Remarketing Memorandum Related to the Authority’s Previously issues Series 2002C Bonds, and Authorizing Other Relation Actions”, were adopted; and Staff was directed to (1) Report back to Council on possible funding to allow the New City Hall to meet certification criteria under the LEEDS (Leadership in Energy and Environmental Design) Green Building Rating program, and (2) Ensure street trees on Santa Clara Street are added to the list of amenities. (11-0).

3. Adjourn the San José Financing Authority.

The City of San Jose/Financing Authority meeting adjourned at 4:30 p.m.

ATTEST:

LEE PRICE, M.M.C, CITY CLERK

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